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Major News Releases and Speeches

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Speeches

U.S. Department of Agriculture • Office of Governmental and Public Affairs

**Remarks prepared for delivery by Deputy Secretary of Agriculture
Richard Lyng, U.S. Feed Grains Council, Cambridge,
Massachusetts, August 11, 1981.**

American agriculture has always responded well to challenge. Over the past two hundred years we've been enormously successful in meeting the increasing demand for food, feed and fiber. During the 1970's we turned our great comparative advantage in agriculture to the service of the world. Our agricultural exports increased from \$8.2 billion in 1972 to \$46 billion in 1981. As of June '81, our coarse grain exports reached a record annual level of 72 million tons—nearly three times the amount exported just ten years ago.

At USDA we know that export growth is absolutely essential for the prosperity of American farmers. U.S. Feed Grains Council has played an important role in that growth, and I hope that the history of cooperation between your organization and USDA will continue in the years to come. I appreciate this opportunity to make some observations about the policy framework in which that cooperation will take place.

In February, President Reagan announced his program for changing the direction in our country—a program designed to restore to the private sector—to private individuals—the means to play the dominant, innovative role in our economy. By restraining the growth of the federal budget and taxes, President Reagan hoped to create a situation where inflation would abate and individuals and businesses would once again find it rewarding to save and invest.

Inflation is already abating—down to 8.6%. Now that Congress has enacted the President's full package, it's clear that Americans will be able to retain and save more of their earnings. Accordingly, we expect that interest rates will decline and that there will develop a new confidence in the future. Clearly, a decline in interest rates will be of great importance to the agricultural sector.

Secretary Block, speaking for the Administration, has called for a farm bill in tune with President Reagan's goal of restraining federal outlays and giving more rein to the free market. In spite of some

agreement still to be reached, the acceptance of this basic farm policy by the Congress is now assured. As the final bill evolves from the legislative process we are confident it will carry a strong emphasis on market orientation.

A market-oriented farm bill is only one side of the coin. We must, on another front, do everything in our power to expand exports and to ensure that world markets are made as free as possible for our commodities and processed products. We are committed to a free market ideal—but, unfortunately, much of the world does not share this philosophy. This presents us with some difficult problems.

In his speeches, both at home and abroad, Secretary Block has reiterated the fact that American farmers are capitalized to export. Exports provide 25% of U.S. farmers' market returns—and for crop farmers almost half of their cash returns. In 1980, about \$1 in every \$3.50 of total farm income came from U.S. farm exports. 60% of our wheat, 50% of our cotton, and 33% of our feed grains and tobacco are exported. Moreover, most of these exports—about 93%—are financed by normal commercial trade, without any government involvement whatsoever.

The U.S. presently produces a full 70% of the world's feed grain exports. While "feed grains" and "coarse grains" are nearly synonymous in the U.S., on a world basis only about 60% of all coarse grains are used as feed, and about 20% of wheat is fed to livestock. Thus, total world demand estimates for coarse grains must consider both their feed and non-feed use, as well as such substitute feeds as alfalfa, beet pulp and soy meal.

One USDA analyst has calculated coarse grain requirements and coarse grain production through 1985/86. Predictions aren't always accurate, but the pivotal role of the U.S. in meeting future coarse grain demand clearly emerges from his analysis:

During the six marketing years leading up to and including 1985/86, coarse grain requirements will increase 129 million tons. Of these 129 million tons, 48 million will be needed in the developing countries—but these countries will only increase their production by 31 million tons. 42 million tons will be needed in the centrally planned economies—but their production will only increase by 34 million tons. Approximately 39 million tons will be needed in developed countries

outside the U.S.—but their production will increase by only 20 million tons. The U.S., whose requirements will not rise appreciably, will increase production by a full 44 million tons, making up for the non U.S. shortfalls! We are presently in the second of the six marketing years covered by this forecast. By the end of this marketing year, coarse grain exports will have gone up by 14 million tons—an average of 7 million tons per year. That leaves us four more years to increase exports by the remaining 30 million tons. This is a realistic target. As interest rates come down and the value of the dollar returns to more normal levels, there will be increased foreign demand for our coarse grain exports. Thus, annual increases in coarse grain exports should average above the current 7 million tons.

America's efficiency is such that the world will, if this forecast is correct, increasingly depend on our grains. Nevertheless, partly out of their desire for food security, many foreign nations continue to protect their producers against our efficient American agriculture. USDA estimates that Japanese government subsidies for its rice programs totaled \$5.2 billion in 1980. That's more than twice the net cost of all U.S. farm programs. Japanese critics of their government's support programs estimate that the resource cost of agricultural protectionism in Japan was \$15 billion in 1977-78, more than half of Japan's gross agricultural output. For similar reasons, the agricultural budget of the EC has been under great strain. And European and Japanese consumers pay billions more for their food.

Many countries subsidize agricultural inputs. In addition, they erect nontariff barriers—variable levies, restrictive licensing, quotas. Such subsidies and trade barriers not only penalize our exports— they also deny foreign consumers the choice to buy more of our products. USDA is determined to oppose these protectionist policies. We have let it be known that there will be a strong reaction if the EC intensifies its discrimination against our exports, or intensifies its dumping of subsidized agricultural products in our traditional markets.

The EC has been considering a proposal to change the zero duties on nongrain feed ingredients, as well as a proposal to tax vegetable fats and oils. During his recent trip, Secretary Block pointed out in Brussels that the proposed tax on fats and vegetable oils would violate agreements made during the Tokyo round of trade negotiations. Under

Secretary of Agriculture Lodwick has warned that the U.S. would be "forced to move decisively to defend its trade interests if the EC were to restrict our market opportunities." The U.S. Congress is also urging retaliation if the EC uses subsidies, long-term bilateral agreements, or special credit arrangements to expand its share of our traditional markets.

USDA and U.S. Feed Grains Council will be working together in market development projects. Our government-industry market development expenditures represent a smaller percent of total exports than in competitor nations. But we get a lot of results for the amount we spend. A comparison of the market development outlays by exporting nations indicates the relative efficiency of our programs—the figures show that we are able to sell a lot more agricultural exports with far fewer dollars spent on promotion.

Thus, while USDA may be able to make some increases in its outlays for cooperator programs, the bulk of our energies will be spent on making our programs even more efficient and pertinent.

Western Europe will remain a sophisticated, price-sensitive market—not only for bulk commodities, but for exports of prepared feeds. Our exporters must ensure that the quality of our exports is maintained—and we must let potential buyers know about the quality and utility of our products.

Effective market development and maintenance clearly requires a personal presence and U.S. Feed Grains Council does a good job of it. You maintain offices in the EC, Spain, Korea and Taiwan. Many prospective customers are in the developing world. Your regional offices for Northeast Asia, Southeast Asia, Latin America, and the MidEast & Africa, are evidence of your interest in market growth. The U.S. Feed Grains Council newsletter Focus is of great use to your membership. And your recent publication of a trilingual newsletter in English, French and Arabic should be helpful in market development. Patience and persistence are always required in opening up new markets—and I'm sure your membership appreciates the importance of the many onsite demonstrations which you conduct in order to acquaint foreign producers with the utility of U.S. feed grains.

For me, it was a particular satisfaction to lead the USDA-industry trade team to the PRC. I worked closely with Thurman Gaskill of U.S.

Feed Grains Council during that trip. There is a large potential market for corn in China—but it will come much faster if we help develop it. We will be working with PRC officials on their port and transportation needs. The PRC also needs help in its feed/livestock system, as well as in the manufacturing of corn sweeteners, germ extraction and other industrial uses of corn. It seems to me that USFGC would be wise to open an office in the PRC.

Thoreau once wrote: "Things do not change; we change."

One thing is unfailingly true about America: Our country prospers best when the private sector—private individuals—are encouraged to play the dominant, innovative role in the economy.

For a number of years, we permitted an unfortunate change in our country: We allowed government to grow excessively—to the point where the private sector now often lacks the capital to make the investments required for long-run economic growth.

The direction of recent years must be reversed. President Reagan's economic program is designed to curb the growth of the federal government and to provide a context where the ingenuities of private citizens can come into play once again. This change in directions involves a challenge: The private sector must learn to rely on government less. I know U.S. Feed Grains Council will continue to work as imaginatively as possible on behalf its membership. And I assure you that USDA will cooperate with your organization in every reasonable way we can. Thank you.

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Remarks by Mary C. Jarratt, Assistant Secretary for Food and Consumer Services, U.S. Department of Agriculture before the Society for Nutrition Education San Diego, Calif., Aug. 11, 1981.

A. Welcome

I bring you greetings and best wishes from Secretary Block. I appreciate the opportunity to be with you this morning to share with you some of the initiatives of the new Administration in the areas of nutrition, nutrition education and food assistance.

It is especially nice to be able to join you in such a lovely part of the country as San Diego.

B. USDA Commitment

The USDA supports a broad spectrum of research, information and education programs in human nutrition. This support began shortly after the Department was chartered by Congress in the late 19th century. It has flourished side by side with our commitment to a productive agriculture. Good nutrition and a healthy agriculture are both vital to the good health of the American people, and to those who rely on us abroad. The best guarantee of a strong country is a healthy people, and good health begins with access to a good food supply. Serving American agriculture and the human nutrition needs of the American people are two sides of the same coin. But we have to make the dollars we spend count, and we are setting about this at USDA.

C. The Reorganization

The purpose of the reorganization, cut along functional lines of responsibility, is to increase the efficiency of the Department's programs.

Basic research components of the Human Nutrition Center are now under the Agricultural Research Service, and the three parts of the new agency, the Human Nutrition Information Service, are under my jurisdiction. As you probably know, the three components of HNIS are the Consumer Nutrition Center, the Nutrition Information and Dietary Guidance Staff, the Food and Nutrition Information Center of the National Agriculture Library. Together, they account for Food and Dietary Surveillance, food composition, nutrition education research, dietary guidance, and nutrition information, professional education, and bibliographic services.

The establishment of this new agency dedicated to nutrition information is an important first step in highlighting USDA's role in nutrition information and education. This elevates the nutrition information activity in the Department to that of an independent agency. This is a first for the Federal Government. This coincides with the administration's determination to provide the public with better nutrition information.

We are now searching for a director of this new agency—a nutritionist, who understands surveillance, nutrition education, applied research, health, and who is a competent administrator and communicator. And we hope to have the position filled this fall. We are working closely with the nutrition staff of the Extension Service. One joint project underway is a continuing education teleconference for extension and research staffs at the land grant universities. This teleconference deals with up dates on nutrition research issues of interest to the extension community. Another project is the cooperative development of the nationwide instructional program in basic nutrition for the general public to be offered by the American Red Cross.

D. Interdepartmental Cooperation

We continue the recent tradition of close cooperation between Health and Human Service and U.S. Department of Agriculture in nutrition activities. Health and Human Services Assistant Secretary for Health, Dr. Brandt, and I have met to discuss mutual problems and proposals. We plan to cooperate more in the areas of publications, surveillance and research.

I am delighted that the Nutritional Status Monitoring System is nearing finalization, and the implementation plan will be submitted to Congress early this Fall. A first draft is almost completed. This is real progress, considering that it is about 2 years overdue. I will speak more of this in just a moment.

E. Dietary Guidelines

I am sure you have heard the erroneous report that we are withdrawing the Dietary Guidelines. We have not, despite what you may be reading in the press, rescinded the guidelines. The Government Printing Office has just reprinted dietary guidelines for sale at a modest price.

The guidelines are still in use in our education programs. We plan to review the dietary guidelines periodically to make sure they are consistent with current knowledge. As the knowledge base changes, we will review and revise these recommendations in much the same way as those of the RDA Committee are reviewed and revised every 5 years.

F. Involvement of Private Sector

As I have indicated, USDA has had a traditional commitment to human nutrition research and nutrition education. I want to assure you that this Administration agrees with that commitment. We do feel there are areas of potential joint efforts between the government and the private sector, and we will try to find ways to involve the private and independent sectors in this work both to get a better final product and to defray costs and allow us to do more to satisfy public demands. We are exploring some of these possibilities now. We are interested in targeting programs to the groups with special needs. The old, the poor, pregnant teens, people with allergies, people with other diet related risks are examples of some of the groups with special needs we hope to reach with targeted efforts.

The area of professional education will be highlighted. USDA produces an amazing amount of technical and research information on food and human nutrition. We must do a better job of getting this information to you and your colleagues. This will have a high priority under my leadership.

G. Evaluation

It is clear that food and nutrition assistance programs, like other Federal assistance programs, are not immune to retargeting in the years ahead. Instead of continued growth, we must look forward to improving the efficiency of our programs as we direct assistance to those people most in need. When I look at the nature of our mission, the numbers of people that these programs serve, and the amount of money we spend, I realize how urgent it is to be able to gauge the effectiveness of our operations. I need reliable sources of information upon which to propose legislation, formulate policy, and make management decisions. I will rely heavily on research and program evaluations to provide this information.

There are three kinds of human nutrition research and evaluation activities now underway in USDA to provide this information:

1. The Nutritional Status Monitoring System we are developing with Health & Human Services.
2. Research conducted by the Western Human Nutrition Research Center, to improve surveillance and evaluation methods.

3. Research, evaluation and demonstration projects of FNS which support policy development and program management.

All three make important contributions to our understanding of how to design better food, nutrition and health policies.

(1) Nutritional Status Monitoring System

The 1977 Farm bill mandated USDA/HHS to develop a comprehensive national nutritional status and monitoring system. The purpose will be to provide reliable information upon which to base food, nutrition and health policy. Hopefully, this information will do much to improve the nutritional status of the population.

This plan establishes a framework for increased coordination between the Nationwide Food Consumption Survey (conducted by USDA) and the Health and Nutrition Examination Survey (conducted by DHHS). Also, it will provide broader population coverage including high risk population groups. There will be data sharing between agencies and more rapid processing of data all along the line. An implementation plan has been developed and is being reviewed by Secretary Schweiker and myself.

(2) Western Human Nutrition Research Center (WHNRC) is being inaugurated later this week. Its mission will be to develop methods to assess and monitor nutritional status. With such methods, groups at high nutritional risk can be better identified, and changes in the nutritional status of the population can be monitored. The Western Center's research will:

- Identify factors that result in poor nutritional status;
- Develop reliable and inexpensive methods of defining nutritional status;
- Conduct research on human nutrient needs;
- Develop nutritional criteria for the evaluation of food assistance programs.

The Center is located at the Letterman Army Institute of Research, and contains a 16-bed metabolic ward, laboratory space, and some laboratory equipment. Currently 20 people are employed through a cooperative agreement with the University of California. USDA is remodeling the laboratories and plans have been made for remodeling

the metabolic ward. The estimated yearly budget for a fully functioning Center is \$8 million.

(3) Food and Nutrition Service Evaluations

FNS' commitment to program evaluation is reflected in the nearly \$20 million that were set aside for program evaluations and related studies during FY 1981. Its commitment is also reflected in the agency's organizational structure. FNS' primary policy, research, and evaluation arm—the Office of Policy, Planning, and Evaluation research,—reports directly to the Administrator.

As you know, NET will be funded at the \$5 million level in FY the work you have done to make it effective.

In the Food Stamp area, we have an evaluation underway of the supplemental security income cashout. Also underway are major evaluations of the School Lunch and Breakfast Programs, the Child Care Food Program and the WIC Program. We are about to start two new demonstration evaluations. One will focus on alternative income verification procedures for the School Lunch Program and the other will evaluate alternatives to the current system for distributing commodities for the School Lunch Program.

Along with the Consumer Nutrition Center we are studying how infant feeding practices affect growth and health in the first year of life. In cooperation with the Extension Service we are studying various methods of reaching food stamp participants with EFNEP. The Expanded Food and Nutrition Education Program has long been a favorite of mine because it is effective in helping participants. Those at poverty and below achieve a quality return on the assistance it offers. For too long we have measured the impact of our low income assistance efforts in terms of the dollar commitment and have neglected to measure the quality of the benefit. A dollar transfer doesn't guarantee better nutrition; we are most likely to get a quality return when our assistance is coupled with nutritional guidance as in the EFNEP program.

H. Conclusions

We need to continue to work closely with concerned professional and voluntary groups, such as the Society for Nutrition Education,

which can take credit for putting Nutrition Education high on the national agenda. It's through your work and that of other organizations that nutrition information will continue to improve and be available to all Americans.

I want this audience to know that this Department and this Administration know and value the contribution made by nutritionists and nutrition scientists among us. And we look to an even greater contribution in the months and years ahead.

Thank you very much and best wishes for this meeting. I hope you will advise me of the ideas that are discussed here, so we can keep current in our thinking as we move ahead with the President's program. My door is always open. I may not always be able to agree with your views, but I will always listen. I hope you will come to me with your ideas.

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News Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

SECRETARY BLOCK WARNS WHEAT, BARLEY FARMERS OF CROP INSURANCE DEADLINE

WASHINGTON, Aug. 7—Final signup for the U.S. Department of Agriculture's federal crop insurance for winter wheat and barley ends Aug. 31 in most growing areas, Secretary of Agriculture John R. Block said today.

Block said he strongly urges farmers to sign up before the deadline, rather than expect on federal disaster program protection to be available again next year. "The farm bills currently working their way through the Congress allow for disaster payments only in those counties where USDA federal crop insurance is not available," he said. "Farmers who think they will be eligible for disaster payments may be in for a big disappointment next spring," Block said.

Crop insurance is available in every county previously covered by USDA's disaster payment program. This, coupled with the recent expansion plans of USDA's Federal Crop Insurance Corporation, means the insurance can be bought in nearly 3,000 counties, Block said.

"Our new crop insurance program is a major policy change from federal disaster programs that pay too little, too late, to too few farmers," Block said. "All-risk crop insurance is a self-help assistance program that is fair to all."

USDA statistics show that every year one of every 14 planted acres never makes it to harvest. "This is the equivalent to the entire state of Montana," Block said. "Most farmers cannot afford to take such a risk on their own without insurance protection. All-risk insurance provides the economic protection farm families need at a price they can afford."

FCIC plans to establish insurance coverage on most agricultural crops. The expansion is part of an overall effort to assure virtually every farmer the opportunity to take advantage of the all-risk crop insurance program.

For 1982, federal crop insurance will be available nationwide on the six major crops: corn, wheat, cotton, grain sorghum, rice and

barley. Major producing areas growing 22 other crops also will be covered, Block said.

Winter wheat and barley farmers now can call their county Agricultural Stabilization and Conservation Service office for a list of insurance representatives in their area who will be able to explain how they can receive insurance protection for their crops.

USDA also has established a toll-free number farmers can call to get names of agents in their county who sell all-risk insurance. The number is 1-800-447-4700.

#

USDA TESTING ROAST BEEF FOR FOOD POISONING ORGANISMS

WASHINGTON, Aug. 7—The U.S. Department of Agriculture is testing vacuum packaged cooked roast beef processed by a Philadelphia company following three incidents in the area of Delaware County, Pa. involving foodborne illness, according to Donald L. Houston, administrator of USDA's Food Safety and Inspection Service.

"We were notified by the New Jersey Department of Health that approximately one hundred people became ill after eating the roast beef," Houston said. "They had salmonellosis, which is associated with the salmonella organism. Improper processing and other factors can allow these organisms to multiply in meat products. Salmonella organisms are destroyed by thorough cooking.

"We're testing samples of the more than 5,300 pounds of product retained at the Vincent Giordano Prosciutto Company," Houston said. "We should know within three days whether salmonella organisms are present in the product. In addition, the company has voluntarily agreed to notify its distributors to hold the roast beef until laboratory results are available."

The distributors of the product are located primarily in Philadelphia and Harrisburg, Pa. Three distributors are located in Rochester, N.Y. Two brand names are known to be involved, Joy and Lapin.

Houston said that if test results warrant a recall of product at the retail level—primarily delicatessens—it would begin as soon as possible.

#

USDA PROPOSES MORE USES FOR PHOSPHATES AND SODIUM HYDROXIDE

WASHINGTON, Aug. 10—A U.S. Department of Agriculture proposal would allow processors to use a wider range of phosphates to improve meat and poultry products, according to Donald L. Houston, administrator of USDA's Food Safety and Inspection Service.

"These phosphates help keep in juices during processing and cooking, and they also help prevent flavor loss in uncured beef that has been cooked, refrigerated and reheated," Houston said. "The Food and Drug Administration has either recognized these substances as safe or has proposed to affirm or reaffirm their safety.

"The proposal covers several sodium and potassium phosphates, as well as sodium hydroxide," Houston said, "and, because these substances have been shown to be safe and functional, we believe it is appropriate to allow or extend their use in meat and poultry products."

Under the proposal, a potassium phosphate could be used wherever the corresponding sodium phosphate is now allowed. For example, dipotassium phosphate could be used in a meat or poultry product if disodium phosphate is now allowed.

The sodium and potassium phosphates covered by the proposal could also be used in all meat food products, unless specifically prohibited by regulation. Sodium hydroxide, which aids the moisture-retaining action of phosphates by maintaining acidity or alkalinity, could also be used with phosphates in these same products.

The sodium phosphates covered by the proposal are now allowed in most cured pork and uncured beef products, as well as in many processed products. They include disodium phosphates, monosodium phosphates, sodium hexametaphosphates, sodium tripolyphosphates, sodium pyrophosphate and sodium acid pyrophosphate.

Written comments on the proposal, which appeared in the Aug. 7 Federal Register, may be sent until Oct. 6 to the Regulations

Coordination Division, Attn: Annie Johnson, FSIS, Rm. 2637-S, Washington, D.C. 20250.

USDA's Food Safety and Inspection Service is responsible, under the Federal meat and poultry inspection laws, for assuring that meat and poultry products are safe, wholesome and accurately labeled.

#

TIME EXTENDED FOR COMMENTS ON FRUIT, VEGETABLE MARKETING ORDERS

WASHINGTON, Aug. 10—The public has been given more time to provide comments to a team reviewing federal marketing orders for fruits, vegetables and specialty crops.

The new deadline is Sept. 1.

"Some people indicated they needed more time to formulate their comments, so we've extended the earlier deadline by one month," said Richard Heifner, the team leader. Heifner is an economist with the U.S. Department of Agriculture's Agricultural Marketing Service.

The team will use all data and information furnished in its analysis of the 47 marketing order programs for fruits, vegetables and specialty crops.

Review of the programs was called for by the President's Task Force on Regulatory Relief, with a goal of eliminating any marketing order regulations that are not needed or that hamper productivity.

Comments should be sent to: Richard Heifner, AMS, 3063-S, USDA, Washington, D.C. 20250. A summary should accompany statements longer than 10 pages.

#

TRIAL CHANGE IN DEFINITION OF MILLED RICE EXTENDED

WASHINGTON, Aug. 10—A one-year trial change in the definition of milled rice has been extended indefinitely to study further the

effects on U.S. rice marketing and to see if it will make our rice exports more competitive.

Kenneth A. Gilles, administrator of the U.S. Department of Agriculture's Federal Grain Inspection Service, said the trial revision was prompted by rice millers' requests that they be allowed to produce milled rice without removing part of the germ.

U. S. millers say that excessive amounts of bran are removed when part of the germ is removed, making U. S. rice less marketable in foreign countries where greater amounts of bran are preferred.

They contend that a change in the definition of milled rice which would suspend the need to remove part of the germ would help them compete more successfully in the international marketplace with other rice exporters.

#

USDA WILL TIGHTEN RULES ON PROCESSING OF DONATED FOODS

WASHINGTON, Aug. 11—The U.S. Department of Agriculture will tighten procedures to be sure that state agencies and school districts get back full measure for the donated foods which they turn over to commercial firms to process or repackage for agency and school use.

"With the substantial increase in the volume of USDA foods being processed over the past few years, we need stricter controls to make sure that schools are getting the full benefit of the foods we give them," said Assistant Secretary for Food and Consumer Services Mary C. Jarratt.

USDA buys foods under various farm-support programs and distributes them for use in schools, non-profit institutions and elderly nutrition and other feeding programs. Since the early 1970's, increased processing activity has helped expand donated-food use from a limited number of commodities to a broad array of products processed from commodities. For example, a school which gets donated flour might have it processed into bread, crackers, cookies or pizza crust for use in the school cafeteria. USDA estimates that currently as much as 20

percent of donated foods are processed or repackaged before they are used.

USDA's Office of Inspector General stated in an audit report released in February, 1979, that tighter controls were needed to govern the processing of donated foods. State agencies, school food authorities and commercial processors of USDA-donated foods also have expressed a need for more definitive guidelines on processing contracts. The regulations issued today respond to these concerns, Jarratt said.

For example, under the final rules, certain commercial foods which meet USDA standards can be substituted for donated foods during processing. In the past, some processors substituted inferior products for the commodities given to schools by USDA. However, the final regulations require processors to maintain records to document that any foods they substitute are of domestic origin, and meet or exceed the quality of the donated foods that would otherwise go into the processed products.

Another provision of the final rules allows commercial distributors to deliver processed products, but makes the processor accountable for quality and quantity of the goods delivered. Since few processors have distributing facilities, many sell their products to commercial distributors who, in turn, deliver the goods to schools and institutions. In the past, with a distributor between processor and institution, schools could not be certain that they were credited for the full value of USDA commodities that went into the processed products they received.

Under the final rules, schools or state agencies may pay the distributor for the full value of the processed foods, and later the processor refunds to these recipients the value of donated commodities that went into the products delivered. In this way the processor is held directly accountable for the USDA commodities used, Jarratt said.

If a state agency elects to permit a processor to sell end products through distributors at a discounted price which reflects the value of the donated foods contained in the products, the agency must submit a proposal to the appropriate USDA Food and Nutrition Service regional office. The proposal must describe accountability procedures employed to guarantee that program participants receive full value for the donated foods.

The final regulations also require state distributing agencies to monitor processing activities through on-site reviews, and provide for federal guidance in conducting reviews. The rules further require federal inspection of certain products, and establish limits for the one time inventory level of USDA foods that processors can keep on hand at any one time.

The final regulations on processing contracts are scheduled to be published in the Federal Register Aug. 14 and are effective upon publication.

#

SIEGEL NAMED DEPUTY ASSISTANT SECRETARY FOR NATURAL RESOURCES

WASHINGTON, Aug. 11—Richard D. Siegel, 41, a Washington, D.C. lawyer, has been appointed deputy assistant secretary of agriculture for natural resources and environment at the U.S. Department of Agriculture.

Siegel will help Assistant Secretary of Agriculture John B. Crowell direct policy for USDA'S Forest Service and Soil Conservation Service. The two agencies have a combined annual work force of 60,000 and are responsible for administering the nation's forest lands and USDA's soil conservation programs.

A native of Lewistown, Pa., Siegel graduated from the University of Pennsylvania and the Harvard Law School. He comes to the USDA from private practice in the firm of Bechhoefer & Siegel.

From 1966 to 1971, Siegel was on the staff of Richard S. Schweiker (R-Pa.) when the latter first was a Representative and later a Senator. Siegel was a staff writer for the Philadelphia Inquirer from 1964 to 1966.

The new deputy assistant secretary is a member of the bars of the District of Columbia, Pennsylvania and of the U.S. Supreme Court. He has served as an associate minority counsel for the Committee on Labor and Human Resources, U.S. Senate.

Active in the Jewish community, Siegel has served on the National Council of the American Israel Public Affairs Committee and was

Washington counsel for the American Friends of Lubavitch. He currently is vice president of the Tifereth Israel Congregation in Washington.

Siegel is married to Marjorie Greenwald of Philadelphia, and the couple has three children—Andrew, 13; Jonathan, 10; and Michele, 7. The family lives in Washington, D.C.

#

USDA FINDS SIGNIFICANT FROST DAMAGE TO COFFEE TREES IN BRAZILIAN STATE OF PARANA

WASHINGTON, Aug. 12—Recent frosts in the major Brazilian coffee- growing state of Parana have reduced that area's 1982-83 coffee production potential by about two-thirds, according to a field survey by the U.S. agricultural counselor in Brasilia.

According to the U.S. Department of Agriculture survey, next year's crop could be reduced by the frost from 8 to 9 million 60-kilogram bags to about 3 million bags. In addition to frost-related declines, Parana's coffee producing areas also have suffered from recent drought conditions which could further reduce the output potential for 1982-83.

The survey reports that as much as 70 to 75 percent of the approximately 700 million coffee trees in Parana have been damaged by frost which struck the area July 20 and 21.

Twenty percent of Brazil's coffee trees grow in Parana.

For the recently haryested 1981-82 crop, Parana produced between 7.5 and 8 million bags, about a quarter of Brazil's total production. This year's Brazilian crop currently is estimated at 32 million bags, or about a third of total world production.

The Parana survey showed that 5 percent of the trees were killed and will be removed, 20 percent were severely damaged (no production can be expected from the trees for 4 years), 20 to 25 percent were moderately damaged (virtually no production will be forthcoming for 3 years), and 25 percent were lightly damaged (requiring 2 years for full recovery).

Reports covering the states of Sao Paulo and Minas Gerais, the other major producing states, will be released by USDA's Foreign Agricultural Service once field surveys are completed. USDA also plans to release a summary report covering the aggregate findings of the field survey later in the month.

For further information contact Peter Buzzanell of USDA's foreign production estimates division, (202) 447-6765 or Milton Anderson of USDA's Horticultural and Tropical Products Division, (202) 447-3423.

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USDA INVESTIGATING SUSPECT AUSTRALIAN MEAT IMPORTS

Washington, Aug. 13-The U.S. Department of Agriculture has ordered its inspection force to seek out shipments of beef imported from an Australian slaughter plant because they may contain horsemeat. The department has also asked the cooperation of private meat industry representatives in locating meat from the plant.

"We have seized all suspect meat that has been found and we are actively tracing the remainder," said Donald L. Houston, administrator of USDA's Food Safety and Inspection Service. The department has initiated action to delist the plant, thereby blocking further imports, he said.

"At the request of FSIS, the department's Office of the Inspector General has begun an intensive investigation to determine the extent to which equine meat may have illicitly entered this country," he said.

Houston said that preliminary test results on boned, boxed beef intended for further processing in this country indicate adulteration of two lots (bulk shipments) by equine meat. The product apparently was imported from Establishment 140C (Profreeze), a slaughter plant near Melbourne, Australia.

The Australian government announced today that it has suspended all exports from the plant pending further test results, and has pledged full cooperation in the investigation.

"Since January 1, 1981, some 45 shipments of meat from the plant have been imported into the United States," Houston said. "Product

from those lots is being sought out for species analysis."

Houston said that equine meat was first discovered in a 605-case lot of boneless beef at Foodmaker, Inc., a meat processing plant in San Diego, Calif., Subsequent testing revealed that a second shipment of the Australian firm's boneless beef, awaiting entry into this country at the Port of Los Angeles, also contained equine meat.

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USDA ESTABLISHES REGULATIONS TO CONTAIN FLORIDA MEDFLY OUTBREAK

WASHINGTON, Aug. 14—The U.S. Department of Agriculture has established emergency regulations to restrict movement of 81 kinds of produce and plants from the Tampa, Fla., area to prevent the spread of Mediterranean fruit flies.

According to Assistant Secretary of Agriculture C.W. McMillan, the regulated produce and plants can serve as Medfly hosts.

The quarantined area includes a 48-square-mile area in Hillsborough County, centered in the Ybor City section of Tampa. The area is bounded on the north by Hillsborough Ave. (U.S. Rt. 92), on the east by Williams Road, on the south by a line 1/2 mile north of state route 676A and on the west by Nebraska Ave.

McMillan said a public hearing to receive comment on the action will be held Sept. 15, at 10 a.m. in the Ybor Room, Curtis Hixon Convention Hall, 600 Ashley Drive, in Tampa.

"This quarantine action, coupled with a parallel action by the Florida Department of Agriculture and Consumer Services, is designed to contain the Florida outbreak while we work with the state to eliminate it," said Greg Rohwer of USDA's Animal and Plant Health Inspection Service. "Previous outbreaks of the pest in Florida in 1929, 1956, 1962 and 1963 were all eliminated."

Regulated items include tomatoes, peppers, apples, apricots, avocados, some kinds of oranges and lemons, cherries, grapes, grapefruit, mangoes, peaches, pears, and many other kinds of fruits, vegetables, nuts and ornamentals.

"These regulations were made necessary by the trapping of three Medflies in a trap in Ybor City and another approximately 1-1/2 miles away," said Rohwer.

Today's action became effective as soon as it was signed by agency officials because of the emergency nature of the infestation.

The public is invited to testify at the hearing or send written comments, until Oct. 13, to: Regulatory Support Staff, PPQ, APHIS, USDA, Federal Building, Hyattsville, Md., 20782.

Details of the action appear in the Aug. 14 Federal Register.

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